

Message Text

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ACTION EUR-12

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E.O. 11652: N/A
TAGS: EGEN, EIAD, EEC, US
SUBJECT: US/EC CONSULTATIONS; APRIL 20-21 NORTH/SOUTH ISSUES

1. SUMMARY: IN THE DISCUSSION ON NORTH/SOUTH ISSUES, US SIDE STRESSED THE USEFULNESS OF CIEC AS A DISCUSSION, BUT NOT A NEGOTIATING, FORUM. THE UNITED STATES WAS WILLING TO CONSIDER COMMODITY AGREEMENTS WHERE ECONOMICALLY DESIRABLE, BUT BOTH THE UNITED STATES AND THE COMMUNITY AGREED THAT THE LIST OF POTENTIAL COMMODITIES WAS SHORT. THE UNITED STATES FELT THAT THE SUGAR NEGOTIATIONS OFFERED A GOOD CHANCE TO DEMONSTRATE OUR MORE FAVORABLE ATTITUDE TOWARDS COMMODITY ARRANGEMENTS, BUT THE UNITED STATES FELT THAT COMMUNITY PARTICIPATION WAS ESSENTIAL AND THE COMMUNITY'S HESITANCY ON EXPORT QUOTAS WAS A SERIOUS PROBLEM. BOTH SIDES FELT THAT ANY COMMON FUND WOULD ONLY POOL THE RESOURCES OF INDIVIDUAL COMMODITY AGREEMENTS. IN COMPENSATORY FINANCING OF EXPORT SHORTFALLS, THE UNITED

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STATES PREFERRED THE MECHANISM OF THE IMF COMPENSATORY FINANCING FACILITY, WHILE THE EC SAW ALSO A ROLE FOR ENLARGED STABEX. BOTH SIDES AGREED THAT POLITICAL UNCERTAINTIES WERE SERIOUSLY CURTAILING RESOURCE INVESTMENT IN LDCS. THE UNITED STATES COULD PARTICIPATE IN AN EFFORT SIMILAR TO THE EC SPECIAL ACTION PROGRAM, BUT ONLY IN OUR WAY, AND CERTAINLY NOT THROUGH IDA.

END SUMMARY.

2. FOLLOWING THE DISCUSSION OF THE WORLD ECONOMY AND INTERNATIONAL MONETARY MATTERS, THE US/EC CONSULTATIONS TURNED TO NORTH/SOUTH ISSUES. EC COMMISSIONER CHEYSSON PREFACED THE DISCUSSION WITH AN ACCOUNT OF THE RECENT EC/ACP MEETINGS IN FIJI. HE REPORTED THAT THE MEETINGS BEGAN IN A SOMEWHAT ACRIMONIOUS ATMOSPHERE, BUT ENDED ON A POSITIVE NOTE. ALTHOUGH ACCOMPLISHMENTS WERE IN FACT MINOR, BOTH SIDES AGREED TO PRESENT THE CONCLUSIONS AS A SUCCESS. ONE MORAL TO BE DRAWN WAS THAT IT WAS MUCH EASIER TO REACH REALISTIC AGREEMENTS WITH LDC'S IN SMALLER GROUPS THAN IN BROADER GROUPS LIKE UNCTAD, WHEN LDC POSITIONS TENDED TO BECOME RIGID AND RHETORICAL. UNDER SECRETARY COOPER COMMENTED THAT THIS CORRESPONDED ALSO TO HIS EXPERIENCE.

3. COOPER THEN BEGAN THE DISCUSSION OF MORE GENERAL NORTH/SOUTH ISSUES BY NOTING THAT THE UNITED STATES AND THE EC HAD BEEN IN CLOSE CONSULTATION ON CIEC, ALTHOUGH HE HAD BEEN DISAPPOINTED IN SOME OF THE RECENT COORDINATION ON TACTICS.

4. UPON TKAING OFFICE THE NEW US ADMINISTRATION HAD FOUND AN IMPASSE IN THE CIEC DISCUSSIONS WHICH WAS THREATENING TO TURN INTO A CONFRONTATION. IT WAS DETERMINED TO DO ITS PART TO AVOID SUCH A CONFRONTATION BY MODIFYING EXCESSIVELY DOCTRINAIRE US POSITIONS. HE NOTED THAT, AS A RESULT, THERE HAD BEEN SOME REAL LIMITED OFFICIAL USE

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CHANGE IN US POSITIONS --ALTHOUGH A GOOD DEAL LESS THAN SOME LDC'S HAD COME TO EXPECT.

5. THE OVERALL PERSPECTIVE OF THE UNITED STATES WAS THAT CIEC WAS USEFUL AS A DISCUSSION FORUM BUT NOT AS A NEGOTIATING FORUM. COOPER FELT THAT THE G-19 HAD COME TO REALIZE THIS SINCE, AS SURROGATES FOR THE WHOLE OF THE 77, THEY HAD NO NEGOTIATING FLEXIBILITY. THE MAIN ADVANTAGE OF CIEC WAS THAT A WIDE RANGE OF ISSUES COULD BE DISCUSSED TOGETHER. COOPER NOTED THAT THERE HAD BEEN A REMARKABLE AMOUNT OF TANGIBLE PROGRESS IN MEASURES TAKEN FOR THE BENEFIT OF LDC'S SINCE THE CIEC BEGAN -- E.G., IFAD, THE IMF TRUST FUND AND THE LIBERALIZATION OF THE IMF COMPENSATORY FINANCING AUTHORITY. OTHER IMPORTANT MEASURES WERE IN THE WORKS -- FOR EXAMPLE A SUBSTANTIAL INCREASE IN IDA RESOURCES AND THE TROPICAL PRODUCTS COMPONENT OF THE MTN. THERE WERE ALSO AREAS WHERE DISCUSSIONS HAD JUST BEGUN -- IN PARTICULAR, THE COMMODITIES AREA, WHERE DETAILED

CONSIDERATIONS OF POSSIBLE SPECIFIC COMMODITY AGREE-
MENTS WERE JUST NOW GETTING UNDER WAY. THESE DEVELOP-
MENTS HAD TAKEN PLACE OUTSIDE THE CIEC. THE G-8
SHOULD TRY TO GET THE CIEC TO GIVE THESE ACCOMPLISH-
MENTS DUE RECOGNITION.

6. THE UNITED STATES WOULD HOPE THAT THE MAIN RESULT
OF THE CIEC WOULD BE TO GIVE POLITICAL IMPETUS TO
PROGRESS IN OTHER FORA: FOR EXAMPLE, DEBT MATTERS
PROBABLY SHOULD BE DEALT WITH IN THE IMF, COMMODITIES
IN UNCTAD, OFFICIAL DEVELOPMENT ASSISTANCE IN THE
IMF/IBRD DEVELOPMENT COMMITTEE. HE NOTED FINALLY
THAT THERE WAS GENERAL AGREEMENT THAT THE CIEC NOT
BE CONTINUED AS SUCH.

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7. COOPER THEN TURNED TO INDIVIDUAL CIEC ISSUES. ON
COMMODITIES, THE UNITED STATES WOULD CAREFULLY CONSIDER
THE POSSIBILITY OF HELPING TO STABILIZE PRICES THROUGH
COMMODITY AGREEMENTS IN CASES WHERE THESE WERE ECONOMICALLY
DESIRABLE. HOWEVER, WE DID NOT VIEW COMMODITY AGREEMENTS

AS AN APPROPRIATE MEANS OF TRANSFERRING RESOURCES TO LDC'S. IN CASE ENOUGH SOUND COMMODITY AGREEMENTS WERE TO BE NEGOTIATED, THE UNITED STATES FELT THERE WAS A CASE FOR A COMMON FUND. THE VERSION WE FAVORED WAS A VARIATION OF THE FOURCADE PROPOSAL. SUCH A COMMOND FUND WOULD SERVE TO POOL AND ECONOMIZE RESOURCES OF THE VARIOUS SPECIFIC COMMODITY AGREEMENTS, AND ENHANCE THE CREDIT WORTHINESS OF THE ENTITIES ADMINISTERING THESE AGREEMENTS. THE COMPETENCE
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OF ANY COMMOND FUND SHOULD BE SHARPLY CIRCUMSCRIBED, AND QUITE DIFFERENT FROM THE UNCTAD CONCEPT.

8. COOPER MENTIONED TWO OTHER FEATURES IN OUR VERSION OF AN INTEGRATED COMMODITY PROGRAM: (1) FURTHER IMPROVEMENT IN OFFICIAL COMPENSATORY FINANCING OF SHORT-FALLS IN EXPORT EARNINGS IF NECESSARY, AND PROVIDED IMF RESOURCES WERE AUGMENTED (RECOGNIZING THAT VERY MAJOR IMPROVEMENTS HAD ALREADY BEEN MADE NOT TOO LONG AGO). WE UNDERSTOOD THAT THE EC HAS IN MIND FURTHER DEVELOPMENT OF THE STABEX APPROACH. (2) ON THE SUPPLY SIDE THERE WAS A SERIOUS PROBLEM OF LACK OF INVESTMENT IN RESOURCE DEVELOPMENT. HISTORICALLY, THE GREAT PRIVATE COMPANIES HAD BEEN THE PRIME MOVERS IN THIS AREA. HOWEVER, POLITICAL UNCERTAINTIES HAD AFFECTED THE CLIMATE FOR INTERNATIONAL INVESTMENT, ESPECIALLY IN NATURAL RESOURCES, AND HAD LED TO A SERIOUS DECLINE IN WILLINGNESS TO INVEST IN THIS AREA. THERE WAS A NEED TO SEARCH FOR AN INSTITUTIONAL MECHANISM WHICH COULD COMBINE PRIVATE AND PUBLIC CAPITAL THEREBY GIVING PRIVATE INVESTORS A SENSE OF MORE SECURITY IN THEIR INVESTMENTS. THE EARLIER US PROPOSAL FOR AN INTERNATIONAL RESOURCES BANK WAS ONE APPROACH, BUT NOT ONE TO WHICH THE PRESENT ADMINISTRATION FELT COMMITTED, SHOULD THERE BE A PREFERABLE ALTERNATIVE.

9. IN THE ENERGY AREA, COOPER NOTED THE NEED FOR THE DEVELOPMENT OF MORE ENERGY SOURCES IN THE NON-OIL PRODUCING LDC'S, BOTH TO INCREASE GLOBAL ENERGY SUPPLIES AND TO INCREASE LDC INDEPENDENCE. THE UNITED STATES HAS PROPOSED AN INTERNATIONAL ENERGY INSTITUTE, BUT WOULD PURSUE THIS ONLY IF LDC'S EXPRESS GENUINE INTEREST IN THE IDEA. AN ON-GOING DIALOGUE ON ENERGY MATTERS WOULD BE USEFUL, BUT NOT WORTH PAYING A PRICE TO OBTAIN. OPEC COUNTRIES HAVE BEEN DISTINCTLY UNCOMFORTABLE IN ENERGY DISCUSSIONS WITHIN CIEC, WHERE THEY HAVE BEEN UNDER SOME PRESSURE FROM OTHER LDC'S. THIS WOULD BE USEFUL TO
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CONTINUE, POSSIBLY IN UNCTAD IF ANOTHER FORUM IS NOT
ACCEPTABLE TO THE G-19.

10. IN THE AREA OF RESOURCE TRANSFERS, COOPER NOTED THE
EC PROPOSAL FOR A SPECIAL ACTION PROGRAM. HE SAID
THE UNITED STATES FAVORS THE BASIC IDEA, PROVIDING THAT
WE CAN PROVIDE OUR SHARE OF SUCH A PROGRAM IN OUR
OWN WAY. AS A PRACTICAL MATTER, BECAUSE OF
CONGRESSIONAL PROBLEMS, WE CANNOT DO MORE (BEYOND
IDA-V) THROUGH THE IDA. THE US SHARE OF SUCH A
PROGRAM MIGHT CONSIST OF INCREMENTAL ASSISTANCE TO
THE POOREST COUNTRIES -- INCLUDING IN THE MAIN MANY
AFRICAN COUNTRIES AND ALSO THE SOUTH ASIAN COUNTRIES.
THIS ASSISTANCE WOULD NOT BE ALL QUICK DISBURSING
BUT REFLECT THE GENERAL MIX OF US BILATERAL AID
INCLUDING SUCH COMPONENTS AS PROJECT AND PROGRAM AID,
PL-480, AND TECHNICAL ASSISTANCE.

11. ON THE DEBT ISSUE, COOPER NOTED THE EXISTENCE
OF THE COMMON US/EC POSITION. WE WERE IN AGREEMENT
THAT WE CANNOT ACCEPT LDC PROPOSALS FOR A GENERALIZED
DEBT MORATORIUM. HE NOTED THAT COUNTRIES PUSHING
THIS IN THE CIEC WERE NOT THOSE COUNTRIES WITH A REAL
DEBT PROBLEM. THE LATTER WOULD INCLUDE MAINLY CERTAIN
MIDDLE INCOME COUNTRIES WITH LARGE COMMERCIAL INDEBTED-
NESS SUCH AS BRAZIL AND MEXICO, AND ALSO SOME EUROPEAN
COUNTRIES SUCH AS PORTUGAL AND SPAIN. THE FORMER HAD
DISASSOCIATED THEMSELVES FROM DEMANDS FOR A MORATORIUM.
THE REAL NEED OF THE POOREST COUNTRIES WAS FOR MORE
TRANSFER OF RESOURCES, NOT DEBT RELIEF. ACTION ON
THE TRUE DEBT PROBLEM, WHICH WAS NOT A CIEC ISSUE,
SHOULD STAY WITHIN EXISTING INTERNATIONAL INSTITUTIONS
SUCH AS THE IMF. A POSSIBLE ROLE FOR THE IMF
RELATIVE TO CONSOLIDATION OF HEAVY EXTERNAL
INDEBTEDNESS NEEDS TO BE EXPLORED.

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12. THE EC SIDE EXPRESSED A LARGE MEASURE OF
AGREEMENT WITH COOPER'S EXPOSITION. IN THE
DISCUSSION THAT FOLLOWED, THE FOLLOWING POINTS
WERE PROMINENT:

13. DEBT. THE EC AGREED WITH COOPER'S COMMENTS.
A MORATORIUM WAS NOT THE ANSWER. NEVERTHELESS,
THERE WERE POLITICAL PRESSURES ON THE G-19, MAKING
IT NECESSARY TO DEFLECT THE DEBT ISSUE WITH A

"SPECTACULAR" SPECIAL ACTION PROGRAM.

14. IMMEDIATE ACTION ODA. THE EC SIDE GAVE THEIR VIEWS THAT QUICK- DISBURSING AID TO THE POOREST WAS NEEDED. THE EC HAD THOUGHT THE IDA WOULD BE AN APPROPRIATE CHANNEL, BUT WOULD BE WILLING TO CONSIDER OTHER POSSIBILITIES SUCH AS THE IMF TRUST FUND. THE IMPORTANT THING WAS THAT THE QUESTION OF THE CHANNEL NOT BE LEFT OPEN, SINCE THIS MIGHT GIVE LDC'S AN OPENING TO TRY TO MAKE THE COMMON FUND INTO A MECHANISM FOR RESOURCE TRANSFER.

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15. VOTHING RIGHTS IN IFI'S. THE EC SIDE RAISED THE QUESTION WHETHER INCREASED RELIANCE ON RESOURCES FROM OIL EXPORTERS DID NOT MEAN THAT THEY WOULD NEED TO HAVE VOTING RIGHTS INCREASED. COOPER REITERATED US PREFERENCE FOR AN ACROSS-THE-BOARD PROPORTIONAL QUOTA INCREASE IN THE IMF, SO THAT NEGOTIATIONS OVER SHARES WOULD NOT DELAY THE PROCESS. HOWEVER, THIS DID NOT MEAN THAT SHARES WOULD BE FROZEN PERMANENTLY. HE NOTED THAT THE WITTEVEEN PLAN ITSELF DID NOT INVOLVE ANY INCREASE IN OPEC VOTING POWER. HE COULD GIVE NO DEFINITE ANSWER ON THIS ISSUE RELATIVE TO THE IBRD.

16. COMMODITY AGREEMENTS. THE EC SIDE AGREED ON COOPER'S COMMENTS ON THE GENERAL APPROACH TO COMMODITY AGREEMENTS. THEY FELT THERE WOULD BE A RELATIVELY SHORT LIST OF COMMODITIES FOR WHICH SUCH AGREEMENTS MADE SENSE --TIN, COFFEE, COCOA ARE IN PROGRESS; LIMITED OFFICIAL USE

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OTHERS MIGHT BE IN RUBBER, JUTE, FIBERS, AND POSSIBLY COPPER (ALTHOUGH THE LATTER WOULD BE VERY EXPENSIVE). COOPER NOTED THAT THE UNITED STATES WAS STILL STUDYING THIS QUESTION. HE COULD AGREE THAT RUBBER AND POSSIBLY COPPER MIGHT BE CANDIDATES BUT WASN'T SURE ON FIBERS. IN ANY CASE, THE LIST WAS SHORT.

17. SUGAR AGREEMENT. COOPER POINTED OUT THAT SUGAR WAS ONE COMMODITY ON WHICH THE INDUSTRIALIZED COUNTRIES HAD AN EARLY OPPORTUNITY TO SHOW THEIR SINCERITY. HE WENT ON TO MAKE MOST OF POINTS IN GENEVA 2869 CONCERNING EC POSITION AGAINST EXPORT QUOTAS. IN RESPONSE, THE EC NOTED THAT ITS SITUATION WAS COMPLICATED BY THE EXISTENCE OF ITS UNDERTAKING UNDER THE LOME CONVENTION BY ABSORB AT FAVORABLY PRICES A SUBSTANTIAL VOLUME OF SUGAR PRODUCTION OF THE LOME COUNTRIES. HOWEVER, SINCE THE EC WAS ITSELF A NET SURPLUS SUGAR PRODUCER, THIS MEANT THAT EC EXPORTS WERE ESSENTIAL. THE EC WOULD FIND IT VERY DIFFICULT TO AGREE TO ANY LIMITATION ON ITS NET EXPORTS BELOW ITS NORMAL SURPLUS PRODUCTION. HOWEVER, THEY EXPRESSED WILLINGNESS TO TRY TO FIT THE LOME ARRANGEMENTS WITHIN A BROADER INTERNATIONAL AGREEMENT ON SUGAR IN A SATISFACTORY WAY, AND ASKED THAT US AND EC EXPERTS IN GENEVA MEET WITHOUT PRECONCEPTIONS TO SEEK A PRAGMATIC SOLUTION.

18. COMMON FUND. THE EC EXPRESSED AGREEMENT WITH US VIEWS ON A COMMON FUND. THEY ASKED ABOUT US VIEWS ON THE QUESTION OF "OWN RESOURCES" FOR SUCH A FUND, NOTING THAT THEY HAD HEARD THAT THE UNITED STATES FAVORED A KIND OF OVERDRAFT FACILITY. COOPER RESPONDED BY SAYING THAT HE FELT THE COMMON FUND SHOULD NOT HAVE ITS OWN RESOURCES IN THE SENSE OF A CAPITAL ITEM ON ITS BALANCE SHEET, BUT THERE MIGHT BE PROVISION FOR BORROWING, SAY FROM THE BIRD, IN SITUATIONS WHERE GLOBAL CONDITIONS REQUIRED ADDITIONAL COMMODITY FINANCING. LIMITED OFFICIAL USE

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19. EXPANDED STABEX. COOPER EXPRESSED THE VIEW THAT THE COMMODITY FIELD SEEMS ADEQUATELY COVERED BY SUCH SPECIFIC PRICE STABILIZATION AGREEMENTS AS ARE ECONOMICALLY FEASIBLE, TOGETHER WITH AN IMPROVED IMF COMPENSATORY FINANCING FACILITY TO STABILIZE OVERALL EXPORT EARNINGS. THE EC SIDE THOUGHT THERE WAS A DEFINITE SUPPLEMENTARY ROLE FOR AN EXPANDED STABEX. FIRST, SUCH STABEX WOULD BE FOCUSED ON THE NEEDS OF THE POOREST LDC'S, WHO DEPEND VERY HEAVILY ON JUST ONE OR TWO COMMODITIES, AND REQUIRED CONCESSIONAL TERMS. STABEX ALSO HELPED TO DEAL WITH TROPICAL PRODUCTS, NOT SUITABLE FOR BUFFER STOCK AGREEMENTS. CHEYSSON QUESTIONED WHETHER STABILIZATION OF SELECTED INDIVIDUAL COMMODITY PRICES MESHED WITH THE IMF COMPENSATORY FINANCING SCHEME, WHICH DEALT WITH OVERALL EXPORT EARNINGS.

20. INVESTMENT IN RESOURCE DEVELOPMENT. THE EC AGREED THAT THERE WAS A SERIOUS LACK OF INVESTMENT IN MINING IN LDC'S, WHICH STEMMED FROM POLITICAL UNCERTAINTIES. PRIVATE MINING COMPANIES HAD RECENTLY DESCRIBED SUCH PROBLEMS TO THE EC. ON INDEX OF THE SEVERITY OF THE PROBLEM WAS THAT THE SHARE OF EXPLORATORY ACTIVITIES LOCATED IN LDC'S HAD DROPPED FROM 57 PERCENT TO 12 PERCENT. THE NEED WAS NOT FOR OFFICIAL CAPITAL TO AUGMENT VOLUME, BUT FOR PROTECTION AND GUARANTEES. FOR THIS, A SYMBOLIC PARTICIPATION BY THE IBRD WOULD BE APPROPRIATE. A SHIFT IN PRIORITIES TO THIS EFFECT SHOULD BE TIED TO ANY MAJOR INCREASE IN IBRD RESOURCES.

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21. ROLE OF EASTERN COUNTRIES. CHEYSSON ASKED FOR US VIEWS ON A POSSIBLE CHALLENGE TO EASTERN EUROPEAN COUNTRIES TO COME INTO THE PICTURE. CLEARLY THEIR COOPERATION WOULD BE REQUIRED FOR SOME COMMODITY AGREEMENTS; THEY SHOULD ALSO PROBABLY BE PRESSED ON FINANCING AS WELL, ALTHOUGH PROSPECTS WERE NOT HELPFUL. COOPER AGREED THAT EASTERN EUROPEAN COOPERATION WOULD BE NEEDED ON SOME COMMODITY AGREEMENTS, AND THAT FINANCING CONTRIBUTIONS SHOULD BE PURSUED. HOWEVER, PARTICIPATION IN SUCH ARRANGEMENTS, INCLUDING EVENTUAL COMMON FUND, WOULD NOT BE REQUIRE THEIR PARTICIPATION IN IFT'S AND COULD BE HANDLED SEPARATELY. HE NOTED THAT SOME LDC'S WERE NOT FEELING THAT THEY SHOULD BE DIRECTING MORE OF THEIR PRESSURE AGAINST EASTERN EUROPEAN COUNTRIES. HARTMAN ADDED THAT AN UNFAVORABLE PATTERN SEEMED TO BE DEVELOPING IN WHICH THE USSR SUPPLIED MILITARY AID AND THE WEST ECONOMIC ASSISTANCE, WITH THE RESULT THAT THE USSR OBTAINED POLITICAL INFLUENCE IN RETURN, AND THE WEST FURTHER DEMANDS. WE NEEDED TO MAKE CLEAR THAT THIS CANNOT
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CONTINUE. A CIEC RESPONSE WOULD BE DESIRABLE WHICH WOULD PUT MORE PRESSURE ON THE EASTERN EUROPEAN COUNTRIES IN THE ECONOMIC ASSISTANCE AREA. THIS QUESTION WAS ALSO RELATED TO RESTRAINT OF ARMS TRANSFERS TO THE LDC'S.

22. TACTICS FOR THE CIEC. DISCUSSION HELPED TO CLARIFY APPARENT DIFFERENCES ON TACTICS FOR DEALING WITH FINAL STAGES OF CIEC. COOPER EXPRESSED THE BELIEF THAT THE KEY TO A CIEC SUCCESS WOULD BE TO GET G-19 REPRESENTATIVES TO COME TO THE MEETING WITH INSTRUCTIONS TO MAKE IT A SUCCESS. THUS, THERE WAS A NEED TO GO TO CAPITALS IN ADVANCE WITH A VERY GENERAL DESCRIPTION OF WHAT THE G-19 MIGHT EXPECT AS A POSSIBLE CIEC OUTCOME. THE EC DID NOT DISAGREE WITH THIS APPROACH, BUT DID NOT WANT TO REVEAL TOO MUCH TOO EARLY, WHICH THE LDC'S WOULD SIMPLY TAKE AND ASK FOR MORE. SOMETHING SHOULD BE HELD IN RESERVE FOR LATER STAGES. THE EC ALSO SUGGESTED THAT LDC EXPECTATIONS HAD BEEN INEVITABLY RAISED BY THE SUMMIT, AND IT SHOULD BE ARRANGED FOR SOMETHING TO COME OUT OF DOWNING STREET. COOPER RESPONDED THAT HE PERSONALLY FELT THAT, GIVEN THE EXCLUSION OF SMALLER COUNTRIES, THE SUMMIT SHOULD NOT MAKE SPECIFIC NEW CIEC PROPOSALS, BUT DID NOT FORECLOSE THIS POSSIBILITY.

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